

ORDINANCE NO. _____, SERIES 2009

AN ORDINANCE ESTABLISHING A DEVELOPMENT AREA PURSUANT TO KRS 65.7049 TO BE KNOWN AS THE APPLIANCE PARK DEVELOPMENT AREA, DESIGNATING THE METRO DEVELOPMENT AUTHORITY, INC. AS AN “AGENCY”, ADOPTING THE DEVELOPMENT PLAN FOR THE DEVELOPMENT AREA, APPROVING ENTERING INTO A LOCAL PARTICIPATION AGREEMENT, AUTHORIZING THE RELEASE OF THE “RELEASED AMOUNT” PURSUANT TO THE TERMS AND CONDITIONS OF THE LOCAL PARTICIPATION AGREEMENT, REQUIRING THE SUBMISSION OF REGULAR REPORTS TO THE COUNCIL AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES AUTHORIZED BY THIS ORDINANCE.

**Sponsored By: Councilwoman Marianne Butler, District 15
Councilman, James Peden, District 23
Councilman David Tandy, District 4**

WHEREAS, KRS 65.7041-65.7083 (the “Act”) authorizes cities and counties to establish Development Areas to encourage private investment in the development of projects that will have a significant impact in the Commonwealth; and

WHEREAS, the General Electric Company (“GE”) intends to undertake a major project in Louisville Metro at the Appliance Park facility to enable it to manufacture a new product, in accordance with the provisional Development Plan attached hereto as Exhibit A (the “Project”); and

WHEREAS, the Council finds that the Development Area as illustrated on Exhibit B (the “Development Area”) attached hereto, qualifies as a Development Area pursuant to the Act and that the Project to be undertaken in the Development Area by the Developer will result in the increase in the value of property located in the Development Area and will result in increased employment within the Development Area; and

WHEREAS, the use of tax increment financing has proven to be successful and of great benefit to areas in need of revitalization and development in Kentucky and other parts of the

country; therefore, the establishment of the Development Area, to enable Louisville Metro to use tax increment financing to encourage major economic development projects, is a worthy public purpose; and

WHEREAS, Louisville Metro is authorized under the Act to execute a local participation agreement or contract with an agency in acknowledgement of benefits to be derived by Louisville Metro within a development area in order to promote the public purpose of Louisville Metro ; and

WHEREAS, the Metro Development Authority, Inc. (“MDA”) is organized and incorporated as a non-profit, non-stock corporation organized on behalf of Louisville Metro pursuant to KRS Chapter 58; and

WHEREAS, Louisville Metro desires to assist GE with the costs of the Project and agrees to enter into the Local Participation Agreement with MDA in order to pay to MDA the Released Amount (as hereinafter defined) for use solely for purposes of the Project.

NOW THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

Section 1. The Council hereby finds as follows:

- A. All statements of fact set forth in the recitals to this Ordinance are found true and correct and are incorporated herein by reference.
- B. The establishment of the Development Area shall not cause the assessed value of taxable real estate in all development areas located in Louisville Metro to exceed 20% of the assessed value of all taxable real property in Louisville Metro.
 1. As supported by the data and findings contained in the provisional Development Plan attached hereto as Exhibit A: That there has been a substantial loss of industrial activity and use in the Development Area; and

- 1 That there has been substantial abandonment of commercial and industrial structures within the Development Area; and
2. That unless the Project is undertaken, the Development Area will continue to experience reduced employment and investment reducing job opportunities for the residents of Louisville Metro and reducing tax revenues to Louisville Metro; and
3. That the Project will allow GE to produce “green” products which will decrease energy consumption; and
4. That although the area surrounding the Development Area has been subject to growth and development, the continued viability of GE in the Development Area is of critical importance to the long term growth and development of such area; and
5. That the Project to be undertaken within the Development Area will not reasonably be developed without public assistance; and
6. That the public benefits to be derived by the Development Area justify the public costs to Louisville Metro.

Section 2. The Development Area as illustrated in Exhibit B is hereby designated as a development area pursuant to the Act and shall be named the Appliance Park Development Area and shall be established as of the effective date of this Ordinance and shall terminate on the earlier of (a) the termination of the Local Participation Agreement, or (b) 14 years from the date hereof.

Section 3. (1) The Council hereby approves and incorporates herein a provisional Development Plan for the Development Area attached hereto as Exhibit A. The provisional Development Plan shall become final and binding for all purposes upon the occurrence of the following:

(a) the holding of a public hearing on the Development Plan as provided under KRS 65.7051(2) and (3); and

(b) the Agency designated in Section 4 of this ordinance adopting changes, if any, to the provisional Development Plan; and

(c) the Agency designated in Section 4 of this ordinance recommending a final Development Plan and filing the same with the Clerk of the Council; and

(d) Should no objection to the recommended Development Plan be filed with the Clerk of the Council within seven [7] days of its filing with the Clerk, the Development Plan shall be deemed adopted by the Council, and shall be final and binding for all purposes. Any objection shall be forthwith placed on the agenda of the full Council for a vote at its next meeting.

(2) Prior to the Development Plan becoming final pursuant to Section (1), above,, the Agency designated in Section 4 of this ordinance is authorized to perform any of its terms or conditions necessary to the implementation of this ordinance provided that the same are not inconsistent with the Development Plan in its final form.

Section 4. The Metro Development Authority, Inc., a Kentucky non-profit corporation is hereby designated as the Agency, pursuant to the terms of the Act, which shall be the recipient of the Released Amount under the Local Participation Agreement and shall oversee and administer the implementation of the Development Area.

Section 5. The Mayor is hereby authorized to negotiate and enter into a Local Participation Agreement substantially in the form attached hereto as Exhibit C with MDA for the release to MDA of a portion of the New Revenue (as these terms are defined in the Local Participation Agreement) (“Released Amount”) to be derived by Louisville Metro from the Project within the Development Area.

Section 6. MDA as the Agency for the Development Area is hereby authorized to enter into the Local Participation Agreement with Louisville Metro and to enter into an agreement with GE for the payment of the Released Amount.

Section 7. The Department of Finance is hereby designated as the agent of MDA to oversee the payment of the Released Amount and to review all documentation concerning the Project, its progress, costs and development. The Department of Finance, for and on behalf of MDA, shall annually submit to the Council a report concerning the Development Area including but not limited to:

- A. An accounting of all payments made to MDA pursuant to the Local Participation Agreement;
- B. An analysis and review of development activity regarding the Project within the Development Area;
- C. The progress made toward meeting the stated goals of the Development Area;

Section 8. The Council shall review annually the progress in meeting stated goals of the Appliance Park Development Area in accordance with the provisions of Metro Council Resolution 236, Series 2007.

Section 8 9. The Council hereby authorizes Louisville Metro to pay annually to MDA, the Released Amount which shall be a sum no less than 80% of the Increment for a period not to exceed ten (10) years (as calculated pursuant to the Local Participation Agreement) in a total amount not to exceed \$2,500,000.

Section 10. MDA shall establish a Special Fund pursuant to the Act for the Development Area as set forth in the Local Participation Agreement.

Section 11. The Mayor and other Metro Government officials designated by the Mayor, and each of them, for and on behalf of Louisville Metro, are authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Local Participation Agreement, the performance of all obligations of Louisville Metro under and pursuant to the Local Participation Agreement and related documents, and the performance of all other actions of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and the Local Participation Agreement. The Mayor and other designated Metro Government officials are further authorized, empowered and directed for and on behalf of Louisville Metro to execute all papers, letter, documents, undertakings, certificates, assignments, forms, instruments and closing papers that may be required for the carrying out and effectuation of the authority conferred by and for the purposes of this Ordinance and the Local Participation Agreement, or to evidence said authority and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of Louisville Metro under the Local Participation Agreement and related documents and to perform all of the obligations of Louisville Metro under the Local Participation Agreement and related documents.

Section 12. Because this ordinance involves a time-critical economic development initiative, pursuant to Rule 7.12 of the Metro Council Rules, the enactment of this ordinance is deemed an emergency

Section 13. This Ordinance shall take effect upon its passage and approval.

Kathleen J. Herron
Metro Council Clerk

David W. Tandy
President of the Council

Jerry E. Abramson
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By: _____

Appliance Park (GE) Development Area Ord. Morris ROC wpo,bkn,wtw Draft 1 22 May 2009
Appliance Park (GE) Development Area Ord. Morris ROC wpo,bkn,wtw Revised Draft 2 - 26 May 2009
Appliance Park (GE) Development Area Ord. Morris ROC wpo,bkn,wtw Revised Draft 3 - 26 May 2009
Appliance Park (GE) Development Area Ord. Morris ROC wpo,bkn,wtw Revised Draft 3 - Clean Copy - 26 May 2009